

FISCAL NOTE

SB 3156 - HB 3202

February 19, 2002

SUMMARY OF BILL:

1. Provides a mechanism for a constitutional convention to consider altering, reforming, or abolishing the following sections of the Tennessee Constitution:
 - Article II, Sections 24, 28, 29 and 30, relative to state, county and municipal taxation and expenditures.
2. Requires to be submitted to the voters at the regular August 2002 election the question of calling a constitutional convention, electing delegates to the convention at the regular November election and holding an election on whether to ratify any proposed amendments passed by the convention.
3. Requires the Secretary of State to publish notice of such an election in a newspaper of general circulation to each county.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$20,000 One-Time

Assumes:

- A cost of \$20,000 to publish notices in the newspaper in each county.
- Election expenses will be minimal, since the question of calling a convention and electing delegates will be placed on the regular August and November election ballots.

For information purposes, the following should be noted:

- The estimated cost of holding a constitutional convention with 33 delegates to consider the issues contained in the bill is as follows: 15 days \$108,000; 20 days \$140,000; 30 days \$205,000.
- Estimated cost to hold a statewide referendum that is not conducted in conjunction with a statewide election is approximately \$4,000,000.
- A one percent tax on income is estimated to generate net state revenues in excess of \$650,000,000. Any amounts generated would be dependent on exemption levels and deductions established.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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